



Monthly News and Updates from The U.S. Commercial Service In South Africa

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U.S. TDA Awards Feasibility Study Grant To Mintek Worth \$215,720

U.S. Trade and Development Agency (TDA) has provided a grant to mineral research body, Mintek, worth \$215,720 for a feasibility study to determine the viability of an electrolytic manganese (EMD) processing plant. EMD provides the power in dry-cell batteries used in products that require stand-alone power supply such as radios and torches.

South Africa is host to approximately 80% of the world's known reserves of high grade manganese ore, and Mintek plans to capitalize on and benefitate manganese at home to improve the competitiveness of South Africa's mineral and metals industry in overseas markets.

The duration of the feasibility study for the envisaged 10 000—20 000 tons greenfields plant worth \$30 million is approximately six months and will be conducted by an American consultant. A component of the study will also analyze demand and sales in Europe and Japan.

The project includes an empowerment group and Mintek has confirmed that several groups have already applied. Mintek also aims to attract other partners for equity investment.

The envisaged value of imported capital equipment procurement for the project is in the region of \$15 million.

The world market for EMD is about 300 000 tons per annum and is growing at more than 5%.

The U.S. currently is the largest consumer of dry-cell batteries, and this project is likely to increase trade and investment between the two nations.

Boeing and Denel Strike Strategic Partnership Deal

Denel Aviation, a division of the South African Denel Group, has been awarded a US \$36 million, nine year contract to supply parts for Boeing 747 and 767 airliners.

Boeing will provide training and capital equipment for the project for which production is set to commence

at the end of 2002.

This agreement marks an important milestone in the strategic collaboration between the US and South Africa in the aerospace arena and will see closer integration between the two countries in both R&D and production.

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Agriculture Exports Soar With AGOA

Statistics show that AGOA has had a marked impact on agricultural and food exports to the USA in 2002.

Figures from January to March this year indicate that the value of the products exported rose from \$24.2 million (Jan—March 2001) to \$28.2 million.

Products to the value of \$15.862 million (\$3.23 million GSP plus US \$12.635 million “new” AGOA) were exported duty-free in terms of the AGOA during the first quarter of this year. This figure is considerably higher than the \$3.77 million duty-free benefits claimed during the first quarter of 2001.

Notable products that recorded high export growth under AGOA included, fresh oranges, fresh grapes, fruit juices jams, preserved vegetables, peanuts (prepared or preserved) and other nuts.

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